

## Message Text

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ACTION IO-11

INFO OCT-01 EUR-12 ISO-00 OIC-02 AF-06 ARA-10 EA-09 NEA-10

EB-07 COME-00 TRSE-00 EPA-04 CEQ-01 AGR-10 OES-05

INT-05 XMB-04 OPIC-06 AID-05 IGA-02 FEAE-00 OMB-01

SIL-01 LAB-04 CIEP-02 CIAE-00 INR-07 NSAE-00 SP-02

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R 041050Z MAR 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 7930

UNCLAS SECTION 1 OF 2 VIENNA 1739

E.O. 11652: N/A

TAGS: EAID, EIND, UNIDO

SUBJECT: UNIDO REQUEST FOR ASSISTANCE IN CARRYING OUT SECTORAL  
INDUSTRIAL STUDIES

REF: VIENNA 1159, 1647

1. SECOND GENERAL CONFERENCE OF UNIDO (LIMA, MARCH 1975)  
RESULTED IN LIMA DECLARATION AND PLAN OF ACTION ON  
INDUSTRIAL DEVELOPMENT AND COOPERATION (LDPA) WHICH,  
INTER ALIA, CALLS UPON UNIDO TO SET UP A SYSTEM OF  
CONTINUING CONSULTATIONS AMONG DC'S AND LDC'S AND TO  
SERVE AS FORUM FOR NEGOTIATION OF AGREEMENTS IN THE FIELD  
OF INDUSTRY AT THE REQUEST OF THE COUNTRIES CONCERNED.  
(U.S. RESERVED ITS POSITION ON THAT PORTION OF LDPA WHICH  
RECOMMENDED CONSULTATIONS WITH A VIEW TO FACILITATING  
"REDEPLOYMENT OF CERTAIN PRODUCTIVE CAPACITIES" FROM  
DC'S TO LDC'S).

2. TO PREPARE A DATA BASE FOR SUCH CONSULTATIONS, SECTORAL  
STUDIES SECTION OF UNIDO'S NEWLY-CREATED INTERNATIONAL  
CENTER FOR INDUSTRIAL STUDIES IN UNDERTAKING WORLD-WIDE  
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ANALYSIS OF FOUR INDUSTRIAL SECTORS; FERTILIZERS,

AGRO-INDUSTRY, VEGETABLE OILS AND FATS, AND IRON AND STEEL. TO AVOID DUPLICATION OF EFFORT, ACTING HEAD OF SECTORAL STUDIES SECTION, J. BALANO (U.S.), HAS REQUESTED ASSISTANCE OF AID IN PROVIDING ANY EXISTING DATA OR STUDIES WHICH COULD CONTRIBUTE TO UNIDO COMPLIATIONS.

3. A BRIEF DESCRIPTION OF EACH STUDY FOLLOWS.

A. FERTILIZERS: FOLLOWING A COMPREHENSIVE STUDY OF THE INDUSTRY, THE INVESTMENT REQUIREMENTS FOR ESTABLISHING AND EXPANDING PRODUCTIVE CAPACITIES IN THE DEVELOPING COUNTRIES, BY STAGES, UP TO OPTIMUM LEVELS BY THE YEAR 2000 WILL BE DETERMINED. THE STUDY WILL COVER CURRENT TRENDS, A FORECAST FOR THE FUTURE, AND TECHNICAL AND ECONOMIC FACTORS RELATED TO ORGANIC AND INORGANIC FERTILIZER PRODUCTION AND USE, WITH SPECIAL REFERENCE TO PRICES AND DISTRIBUTION. RAW MATERIAL RESOURCES, ENERGY AND MAN-POWER REQUIREMENTS, INTERNATIONAL COOPERATION, LINKAGES WITH RELATED INDUSTRIES AND IMPACT ON THE OVER-ALL GROWTH OF NATIONAL ECONOMIES WILL BE EVALUATED. THE STUDY WILL ALSO COVER GOVERNMENTAL POLICIES, SOCIAL, MANAGEMENT, ENVIRONMENTAL AND INSTITUTIONAL FACTORS, AND THE LEGISLATION AND DEVELOPMENT OF LOCAL CAPABILITIES AT THE INSTITUTIONAL LEVEL.

IMPLEMENTATION OF THE STUDY WILL REQUIRE COOPERATION WITH SUCH ORGANIZATIONS AS THE WORLD BANK, FAO AND UNCTAD.

AT AN INTERNATIONAL MEETING ATTENDED BY TOP REPRESENTATIVES OF GOVERNMENT AND INDUSTRY, ATTEMPTS WILL BE MADE TO REACH CONCLUSIONS REGARDING THE SHARE OF THE DEVELOPING COUNTRIES IN WORLD FERTILIZER PRODUCTION. THE GOVERNMENT OF THE NETHERLANDS HAS AGREED TO HELP FINANCE THIS MEETING.

B. IRON AND STEEL: FOLLOWING A COMPREHENSIVE STUDY OF THE INDUSTRY, THE INVESTMENT REQUIREMENTS WILL BE DETERMINED FOR ESTABLISHING AND EXPANDING PRODUCTIVE CAPACITIES IN THE DEVELOPING COUNTRIES, BY STAGES, UP TO OPTIMUM LEVELS BY THE YEAR 2000.

USING THE FINDINGS OF THE NOVEMBER 1975 WORKING GROUP, AND THE DEVELOPMENT PLANS OF BOTH DEVELOPING

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AND INDUSTRIALIZED COUNTRIES, THE STUDY WILL ENDEAVOR TO DETERMINE REASONABLE FORECASTS FOR IRON AND STEEL DEVELOPMENT, TAKING INTO ACCOUNT, IN PARTICULAR:

- (A) PROBLEMS AND OPPORTUNITIES OF PRODUCTION;
- (B) POSSIBILITIES FOR REDISTRIBUTION OF PRODUCTION;
- (C) MEDIUM AND LONG-TERM PROJECTIONS FOR STEEL CONSUMPTION, PRODUCTION AND TRADE, IN THE DEVELOPING COUNTRIES;

(D) OPPORTUNITIES FOR JOINT VENTURES AND COOPERATION;  
(E) SOURCES AND MODES OF FINANCING THE  
DEVELOPMENT OF THE INDUSTRY IN DEVELOPING COUNTRIES;  
(F) FACTORS DETERMINING OPTIMUM PLANT SIZE AND  
LOCATION IN DEVELOPING COUNTRIES;  
(G) RECENT TECHNOLOGICAL INNOVATIONS AND THEIR  
IMPACT ON THE INDUSTRY.

A MEETING WILL BE HELD EARLY IN 1977 TO  
PRESENT THE FINDINGS OF THE STUDY TO INTERESTED  
GOVERNMENTS AND INDIVIDUALS. ATTEMPTS WILL BE MADE TO  
REACH CONCLUSIONS REGARDING THE FUTURE SHARE OF THE  
DEVELOPING COUNTRIES IN IRON AND STEEL PRODUCTION.

C. AGRO-INDUSTRIES: FOLLOWING A COMPREHENSIVE  
STUDY OF THE INDUSTRY, INVESTMENT REQUIREMENTS FOR  
ESTABLISHING AND EXPANDING PRODUCTIVE CAPACITIES IN THE  
DEVELOPING COUNTRIES, BY STAGES, UP TO OPTIMUM LEVELS BY  
THE YEAR 2000 WILL BE DETERMINED. THE STUDY WILL CONCENTRATE  
ON:

(A) AN ANALYSIS OF NATIONAL PLANS FOR ACHIEVING  
SOCIAL AND ECONOMIC DEVELOPMENT, WITH SPECIAL ATTENTION TO  
THE INDUSTRIALIZATION OF RURAL AREAS AND THE NECESSITY  
TO INCREASE AGRICULTURAL AND INDUSTRIAL PRODUCTION;

(B) PRESENT AND POTENTIAL PRODUCTION OF PROCESSED  
GOODS, TRENDS OF PRODUCTION AND MARKETS, AND PRICING;

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ACTION IO-11

INFO OCT-01 EUR-12 ISO-00 AF-06 ARA-10 EA-09 NEA-10 OIC-02

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(C) THE TECHNOLOGICAL SITUATION IN THE AGRO-INDUSTRIES - PROCESSING CAPACITIES, REDUCTION OF LOSSES THROUGH IMPROVED POST-HARVEST TECHNOLOGIES AND ENVIRONMENTAL ASPECTS;

(D) EFFECTS OF AGRO-INDUSTRIALIZATION ON EMPLOYMENT; IMPROVED MANAGEMENT; LINKS BETWEEN INDUSTRY AND FARMING;

(E) INVESTMENT REQUIRED FOR ENTERPRISES OF APPROPRIATE CAPACITIES.

THE JOINT UNIDO/YUGOSLAVIA CENTRE FOR INTERNATIONAL CO-OPERATION IN THE DEVELOPMENT OF AGRO-INDUSTRIES IN THE DEVELOPING COUNTRIES WILL BE ASKED TO CO-OPERATE IN THE STUDY AND TO CONTRIBUTE ITS EXPERIENCE, PARTICULARLY WITH REGARD TO THE DEVELOPMENT OF AGRO-INDUSTRIAL COMPLEXES.

A MEETING WILL BE HELD EARLY IN 1977 TO PRESENT THE RESULTS OF THE STUDY TO INTERESTED GOVERNMENTS AND INDIVIDUALS.

D. VEGETABLE OILS AND FATS: FOLLOWING A COMPREHENSIVE STUDY OF THE INDUSTRY, THE INVESTMENT REQUIREMENTS FOR ESTABLISHING AND EXPANDING PRODUCTIVE CAPACITIES IN THE DEVELOPING COUNTRIES, BY STAGES, UP TO OPTIMUM LEVELS BY THE YEAR 2000 WILL BE  
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DETERMINED, THE STUDY WILL FOCUS ON:

(A) THE SUPPLY AND DEMAND OF RAW MATERIALS (WITH MARKET FORECASTS, INCLUDING PRICING PROBLEMS AND TRENDS);

(B) TECHNOLOGICAL PROBLEMS AND INNOVATIONS - POSSIBILITIES FOR THE COMPLEX USE OF RAW MATERIALS - ENERGY AND EQUIPMENT ASPECTS - MANAGEMENT IMPROVEMENT;

(C) THE STUDY OF NATIONAL DEVELOPMENT PLANS WITH RESPECT TO INVESTMENTS, SPECIALIZATION, COOPERATION AND FINANCIAL PROBLEMS;

(D) SOCIO-ECONOMIC ASPECTS, GIVING SPECIAL ATTENTION TO RURAL DEVELOPMENT AS A MEANS OF INCREASING OUTPUT AND PRODUCTIVITY USING INDIGENOUS RESOURCES;

(E) POTENTIALITY FOR INCREASED EMPLOYMENT - STRENGTHENING OF THE LINKS BETWEEN ENTREPRENEURS AND FARMERS;

(F) INVESTMENT CONSIDERATIONS.

AT A MEETING IN EARLY 1977 TO PRESENT THE RESULTS OF THE STUDY TO INTERESTED GOVERNMENTS AND INDIVIDUALS, ATTEMPTS WILL BE MADE TO DETERMINE THE FUTURE SHARE OF THE DEVELOPING

COUNTRIES IN THE INDUSTRIAL PRODUCTION OF OILS AND FATS.

4. MISSION WOULD APPRECIATE ADVICE AS TO WHETHER AID HAS  
ACCESS TO DATA OR STUDIES WHICH MIGHT BE MADE AVAILABLE  
TO UNIDO FOR PURPOSES OUTLINED ABOVE.GARLAND

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## Message Attributes

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